

## Message Text

UNCLASSIFIED

PAGE 01 MONTEV 01704 211710Z

71

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 AGR-20 DRC-01 /118 W

----- 110288

R 211554Z JUN 74

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 6783

UNCLAS MONTEVIDEO 1704

E.O. 11652: N/A

TAGS: EGEN, EAGR, UY

SUBJ: POTENTIAL US INVESTMENT IN URUGUAY

### 1. SUMMARY

WROHN T. SURLESS, EXECUTIVE VICE PRESIDENT TRANSAMMONIA INTERNATIONAL LTD, AND PETER BAUMANN VP OF TRANSAMMONIA, RECENTLY DESCRIBED TO EMBASSY OFFICERS A POSSIBLE INVESTMENT PROJECT FOR US\$15 MILLION DIAMMONIUM PHOSPHATE FERTILIZER PLANT IN MONTEVIDEO PORT. END SUMMARY.

2. SURLESS STATED THAT TRANSAMMONIA HAS SUPPLIED ABOUT 50 PCT OF URUGUAY'S FERTILIZER IMPORTS FOR PAST EIGHT YEARS AND HAS BEEN THINKING OF A PLANT HERE FOR SEVERAL YEARS. COMPANY BELIEVES PLANT WILL BE EVENTUALLY BUILT AS FERTILIZER MARKET GROWS IN URUGUAY AND INVESTMENT SEEN PARTLY FOR PROTECTION OF MARKET SHARE. HIGH FERTILIZER PRICES AND DECLINING AVAILABILITY PHOSPHATE ROCK AS SUPPLIERS PROCESS MORE INTO LIQUID GAS HAS MADE INVESTMENT MORE FEASIBLE. GOU HAS ESTABLISHED COMMISSION TO STUDY PROJECT COMPOSED OF REPRESENTATIVES MINISTRIES OF AGRICULTURE AND INDUSTRY, OFFICE OF PLANNING AND BUDGET, AND ANCAP. TRANSOMMONIA HAS BEEN NAMED TO WORK AS ADVISER.

3. ONE UNIQUE FACTOR IN PROPOSED PROJECT IN TRANSOMMONIA INSISTANCE THAT AT LEAST 51 PCT OF OWNERSHIP BE TAKEN BY  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MONTEV 01704 211710Z

THE GOU. HOWEVER, PLANT WOULD BE OPERATED AS PRIVATE

INVESTMENT PERHAPS UNDER MANAGEMENT CONTRACT BY TRANSOMMONIA.

4. PROJECT ENVISAGES ANNUAL PRODUCTION 180,000 TONS OF DIAMMONIUM PHOSPHATE. CONSTRUCTION WOULD TAKE 30 MONTHS AFTER FEASIBILITY STUDY, IF FAVORABLE, COMPLETED BY END 1974. ABOUT HALF OF PRODUCT WOULD BE EXPORTED. AT TODAY'S PRICES RAW MATERIALS WOULD ANNUALLY COST ABOUT \$35 MILLION WHICH WOULD ALSO BE VALUE OF EXPORTS ALLOWING PLANT TO SUPPLY LOCAL MARKET WITHOUT INCURRING FOREIGN EXCHANGE COSTS. CUSTOMERS WOULD BE EXISTING FERTILIZER MIXING PLANTS AND SURLESS INDICATED THEY WERE DELIGHTED WITH PROJECT.

5. TRANSAMMONIA WOULD LIKE TO INVESTIGATE PARTIAL FINANCING OF FEASIBILITY STUDY BY USG AND HE WAS REFERRED TO OPIC/F IN WASHINGTON. SURLESS EXPRESSED CONCERN THAT FINANCING MIGHT BE HARMED BY ADVERSE PUBLICITY ABOUT URUGUAY IN US PRESS. EMBASSY OFFICER NOTED THAT FINANCIAL COMMUNITY IN US CONTINUES TO PROVIDE CREDITS TO URUGUAY AND THAT A SOUND PROJECT SHOULD RECEIVE SUPPORT. IF FEASIBILITY STUDY IS POSITIVE, TRANSAMMONIA WILL PROBABLY SEEK EXIMBANK LOAN FOR CAPITAL GOODS FROM US.  
SIRACUSA

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, AMMONIA, FERTILIZERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MONTEV01704  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740163-0996  
**From:** MONTEVIDEO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740625/aaaaautf.tel  
**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 AUG 2002 by PhilliR0>; APPROVED <13 JAN 2003 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POTENTIAL US INVESTMENT IN URUGUAY  
**TAGS:** EGEN, EAGR, UY, TRANSAMMONIA INTERNATIONAL LTD, (SURLESS, WROHN T)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005